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**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB DOCKET NO. AB-1053 (Sub-No. 2X)

**MICHIGAN AIR-LINE RAILWAY CO.
-ABANDONMENT EXEMPTION-
LINE IN OAKLAND COUNTY, MICHIGAN**

REPLY AND OBJECTION TO SECOND PETITION FOR EXEMPTION

**ENTERED
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Dated: August 10, 2011

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American Plastic Toys, Inc. ("APT") replies and objects to this, the second petition ("Second Petition"), of Michigan Air-Line Railway Co. ("MAL") to the U.S. Surface Transportation Board ("STB" or "Board") for an exemption pursuant to 49 U.S.C. § 10502.¹ This Second Petition again seeks an exemption for MAL's approximately 5.45 miles of rail line (the "Line") from the requirements of 49 U.S.C. § 10903. APT requests the rejection of the Second Petition or the commencement of proceedings pursuant to 49 U.S.C. § 10502(b).

¹ MAL filed its initial petition for an abandonment exemption with respect to this portion of the Line on January 28, 2011 ("First Petition") APT filed its Objection to the First Petition on March 9, 2011 ("First Objection"). MAL subsequently filed a Surreply on March 29, 2011 ("Surreply"). The Board issued its decision denying the First Petition on May 17, 2011 (the "Decision"). MAL subsequently filed its response to the Board's Decision on June 16, 2011 ("Response to Decision"). MAL has since filed this Second Petition.

THE BOARD'S PRIOR DECISION:

The Board's prior May 17, 2011 Decision rejected MAL's First Petition on several grounds.

First, the Board refused to permit MAL to consummate any abandonment authority "until the status of RFS as the line's operator was clarified." The Board correctly noted that neither RFS nor Rail Mark Holdings, Inc. ("RMH") had obtained Board authority to operate the Line in place of MAL or to fulfill its common carrier responsibilities.² The Board required MAL and RFS "to show cause why the Board should not find that RFS is operating in violation of 49 U.S.C. § 10902."

Second, the Board denied MAL's First Petition because it had not "provided sufficient evidence" to support its First Petition. The Board correctly noted that the Petitioner bears the burden of showing that keeping a line in service would impose a burden on it that outweighs any harm that would befall the shipping public, and the adverse impacts on rural and community development, if the line were to be abandoned. The Board found that MAL did not provide sufficient evidence regarding revenue and operating costs of the Line. Further, the Board found that the opportunity and rehabilitation costs alleged by MAL in the First Petition could not be relied upon as MAL failed to provide a copy of its appraisal claiming a 5.4 million dollar value for the Line.

THE SECOND PETITION SHOULD BE DENIED

In this Second Petition, MAL again fails to make the showings required by 49 U.S.C. § 10502(a) with actual, appropriate, complete and accurate evidence. APT asserts

² As discussed below, APT cannot locate any evidence that RMH has ever been validly incorporated or authorized to do business in Michigan.

that the Second Petition should be rejected or made subject of a proceeding pursuant to 49 U.S.C. § 10502(b).

First, taken as a whole, the Serial MAL submissions and the exhibits to this Objection, show that MAL allowed an unlicensed entity, Rail Freight Solutions, Inc. (“RFS”) to operate the Line on its own account. A violation of 49 U.S.C. § 10902 would preclude an abandonment procedure pursuant to § 10905. Therefore, such a violation should also preclude this Second Petition. Second, MAL’s submissions continue to provide unreliable, incomplete and misleading information. Second, serial and self-contradictory Butler and Ramsey affidavits show that these verified statements cannot be relied upon. The initial verified statements from these persons were shown by their subsequent verified statements to have been incomplete, misleading and deceptive.³ The Appraisal provided by MAL continues to contain obvious and fatal flaws. MAL’s claims regarding maintenance and track repair are inconsistent with the prior statements from RFS and continue to show themselves to have been based upon intentionally deferred maintenance. MAL’s opportunity cost information is based upon the obviously flawed appraisal and not the most relevant best evidence: the amount MAL actually paid to acquire the Line in 2009. Third, MAL acquired this Line, knowing that it was in limited operation. Subsequently, MAL’s refusal to maintain the Line, to market the Line and abdication of its common carrier obligations show that this Second Petition is a fundamental misuse of the abandonment exception process. Finally, maintenance of continued service on the Line will further the transportation policy of 49 U.S.C. § 10101, abandonment will not.

³ APT incorporates its First Objection by reference herein, in particular the critique of the Butler and Ramsey verified statements from the First Petition.

I. MAL allowed an unlicensed operator, RFS, to act as a common carrier.

In its prior decision, this Board expressed concerns that MAL had allowed an unlicensed carrier to operate as the common carrier along the Line. In its Response, MAL, asserted that RFS functioned only as a “service provider” and as the “agent” of MAL. In support, MAL included Exhibits 3 and 4 to its Response, verified statements of Mr. Butler and Mr. Ramsey and also two contracts related to the Browner-Turnout acquisition of the MAL stock. (the “Acquisition Contracts”)

MAL’s primary claim is that RFS was its contract “agent”. However, RFS is not a party to the Acquisition Contracts. The party to those contracts is Rail Mark Holdings, Inc. (“RMH”). According to the contracts, RFS is identified as a wholly owned subsidiary of RMH. Indeed, MAL appears to admit there was no contract with RFS.

Even more troubling is the nebulous nature of RMH. In the Acquisition Contracts, at page 8, RMH makes the representation and warranty that it is a corporation formed under the laws of the State of Michigan. However, this is apparently not true. A search of the Michigan Department of Licensing and Regulatory Affairs website (www.dleg.state.mi.us/bcs_corp/sr_corp.asp) will not show “Rail Mark Holdings, Inc.” whether as a corporation formed under Michigan Law, a foreign corporation registered to do business under Michigan Law or as an assumed name. A search for “Rail Mark” will only disclose Rail Mark Track Works, Inc. This corporation’s corporate records do not show any assumed name for Rail Mark Holdings or any merger with any entity called Rail Mark Holdings. Further, searches in Nebraska and Kansas also fail to disclose any

Rail Mark Holdings, Inc. At a minimum, the claims regarding contractor operator status with RMH or RFS appear to be highly suspect.

The RMH webpage, attached hereto as Exhibit 4, asserts that RMH has a headquarters in Walled Lake and that it has a subsidiary, RFS. And that RMH conducts railroad operations. It asserts that it offers “direct rail freights” services through the “operation or ownership of short line railroads and industrial switching operations”. Further, although “coming soon”, it lists “railroad operations” and “short line railroad operations” as among its offered services.

Attached as Exhibit 2 to this Objection are the corporate records of Rail Freight Services, Inc. as maintained by the State of Michigan Department of Licensing and Regulatory Affairs. Again these show no assumed name or mergers.

Obviously then, RFS is not a party to the contract by which MAL claims that it contracted out the common carrier duties. In fact, RFS appears to have simply operated the Line on its account.

As shown from MAL First Petition and subsequent filings, MAL thoroughly alienated itself from all revenues and operations of the Line. Further, Exhibit 3 attached to this Objection are invoices: showing RFS directly contracting for common carrier services on the Line and those payments were made directly to RFS for carrier service on the Line by APT. The correspondence at Exhibits 5, 6, 7, 8 and 9 also clearly show that RFS and/or “Rail Mark” were representing themselves and acting as if they were the operators. By their own words, MAL only was a “name”. MAL simply cannot claim that RFS was its agent when RFS was clearly collecting and retaining all revenues

for its own account. Agency law requires the agent to collect debts on behalf of its principal and to surrender the money to the principal. RFS clearly did not do so.

MAL, in its Response claims that because APT used the term “service provider” in APT’s First Objection, that APT could not have been “confused” as to the role of RFS as MAL’s agent. This is simply not true. APT merely copied the “service provider” language from MAL’s First Petition and carried it through to avoid confusing the Board. RFS and “Rail Mark” (if there is such an entity) clearly represented themselves as the common carrier operating on the Line and servicing APT, a member of the public.

In the instant matter, MAL seeks an exemption from the abandonment procedures of 49 U.S.C. § 10905. In an abandonment procedure, if there is a pending violation against the common carrier, the abandonment will be rejected. In this case, this Board’s prior show cause order (which has not yet been resolved by a decision) operates as the functional equivalent. Specifically, MAL has a pending violation before this Board which will not be resolved unless and until this Board makes a ruling on its show cause demand. As such, MAL’s Second Petition should be denied.

II. MAL has submitted unreliable information on which this Board cannot rely

MAL’s Second Petition includes and relies upon information of which this Board should be highly suspicious. First, the various verified statements from Mr. Butler and Mr. Ramsey are inconsistent and have shown a continuing propensity to provide incomplete and distorted information which is been revealed in subsequent verified statements. Second, the revised appraisal which MAL has provided contains so many internal flaws, that it cannot be relied upon, even on its own terms. Third, the maintenance track repair estimates, particularly with respect to necessary repairs for the

first year, are inflated because MAL has intentionally ignored alternative funding which is known to it. Finally, MAL's reliance upon the Appraisal is misplaced. Not only is the Appraisal deeply flawed, it may not be the best basis upon which to calculate opportunity costs. MAL has only recently been acquired by the Browner-Turnout Group. A better valuation of MAL's opportunity costs should be based upon the amount of hard money actually invested by Browner-Turnout.

a. Butler and Ramsey Statements.

The various Butler and Ramsey affidavits presented with the First Petition, the Surreply, the Response and the Second Petition reveal a history of "hiding the ball". The most recent verified statement of Mr. Butler, Exhibit D to the Second Petition, discusses the previous indebtedness of MAL to CIT Group. Much is made of the purchase of the CIT Group's note and mortgage by Browner-Turnout in what was clearly a distress situation (Browner Vs at Page 3). Although MAL asserts that the face value of the note was approximately Five Million (\$5,000,000.00) Dollars, nowhere in any of the verified statements or in the Browner-Turnout-Rail Mark Holding's agreements, is the actual amount paid by Browner-Turnout to acquire the CIT note and mortgage actually provided. The Ramsey verified statement indicates the face value in excess of Five Million (\$5,000,000.00) Dollars. See Ramsey verified statement at Page 5. However, this slippery phrasing avoids what was actually paid for the debt instruments.

Given that Browner-Turnout has admitted it acquired this Line purely with the intent to abandon it and sell it for-trail ways, the amount of hard money actually invested by Browner-Turnout is a far more relevant measure of the opportunity costs involved. However, Browner-Turnout/MAL have taken great pains to never actually present these

amounts. It should be clear from the varying facts asserted in the various verified statements, that the verified statements submitted by MAL simply cannot be relied upon in an unquestioning manner.

Further, the claims made by Butler and Ramsey with respect to operating costs are contrary to RFS own statements regarding what its operating costs were. These operating costs were best expressed in the various e-mails sent to APT establishing monthly rates. If RFS was an agent, MAL is bound by those statements

b. Track Maintenance

The track maintenance repair costs presented in the Ramsey verified statement rely upon the report by Landreth Engineering, LLC. The Exhibits to the Landreth report include several items which suggest that these locations “may qualify for FHWA-MIDOT grade crossing safety programs”. By its own terms, these items could be paid for through the Michigan Department of Transportation grant funds associated with these programs. Accordingly, to the extent that Mr. Ramsey relies upon the Landreth report to establish year one maintenance costs, and Mr. Ramsey has failed to take the potential for grant money into account, Mr. Ramsey’s verified statement is incorrect and cannot be relied upon.

c. The Appraisal is, on its face, both incomplete and misleading

In support of its Second Petition, MAL presents and relies upon an updated appraisal from June 2011 prepared by Bowen’s Appraisal Service (“Appraisal”). This Appraisal does not comply with the standards set forth in the Uniform Standards for Professional Appraisal Practice (USPAP), excerpts of which are attached hereto as

Exhibit 1. Further, the Appraisal, by its own terms, does not comply with requirements established by this Board.

1. Board Requirements

First, in *Chicago and Northwestern Transport Company-Abandonment*, 363d ICC 956 (1981) (Lake Geneva Line), the ICC stated that the proper valuation standards and proceedings under 49 U.S.C. § 10905 is the net liquidation value of the rail properties for their highest and best non-rail use (absent a higher growing concern value for the continued rail use). Since then, this Board has ruled that where the line is owned in fee simple (as MAL claims here) a parcel by parcel valuation (a/k/a piecemeal) for each element of the corridor is required and that each parcel must be analyzed in terms of fee ownership rights and specifically compared to the parcels surrounding it. *See, Keokuk Junction Railway Company-Feeder Line Acquisition-Line of Toledo Peoria, and Western Railway Corporation between La Harpe and Hollis, IL*, STB Finance Docket #34335, decided October 28, 2004. The Bowen Appraisal simply does not conduct such a piecemeal analysis and does not review the fee ownership rights or even identify the component parcels with surveys or appropriate aerals.

At Page 7, the Appraisal admits that the required information for the parcels were not provided.

“ I was not provided with title work or a property survey for the subject property and the adjacent properties. Ordinary easements, zoning restrictions, etc. are assumed.”
Appraisal at Page 7.

Obviously the Appraisal fails to meet the *Keokuk* requirements. As such it must be disregarded and MAL has failed to convey its burden. Page 15 of the Bowen Appraisal clearly states that no survey, legal description, or dimensions were obtained, no

analysis of fee simple rights or confirmation of fee simple ownership is contained in the Appraisal report. Accordingly, it simply fails the requirements of the *Keokuk Junction* decision.

2. USPAP Requirements are unmet

The Appraisal is, by its terms subject to the Uniform Standards of Professional Appraisal Practice ("USPAP") which are attached hereto as Exhibit 1. The Appraisal states at Page 8 that multiple parties will be using this report. Therefore it is subject to standard 2-1. Which provides that:

Each written or oral real property appraisal report must: (a) clearly and accurately set forth the appraisal in a manner that will not be misleading; (b) contain sufficient information to enable the intender to users of the appraisal to understand the report properly; and (c) clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions as used in the assignment.

Also relevant is standard 2-2 (a)(iv) which requires that the report "state the real property interest appraised". The comment provides that "the statement of the real property rights being appraised must be substantiated, as needed, by copies or summaries of title descriptions or other documents that set forth any know encumbrances." None of these substantiating documents are included or discussed. Indeed, Pages 8 and 15 indicates that this was not done. The Appraisal is not reliable by its own admission at all.

Standards Rule 2-2 (a)(v) also requires that the report must "state the type and definition of value and cite the source of the definition". According to the Appraisal, at Page 12, "valuation is based on vacant land values". As the subject property is in fact an operating rail line and includes improved property, the comparison with vacant adjoining land without regard to the improvements, depreciated costs, cost of removal, demolition or salvage value is misleading. At Page 13 the Appraisal claims that "a detailed analysis

of the data was completed during the appraisal process. In developing the opinion of value all of the typical appraisal processes were employed.” (emphasis supplied). However this is not true, as the Appraisal states, only the vacant land sales approach was employed.

Further, the Appraisal asserts that it utilizes the “sales comparison approach”. Appraisal at Page 12. However the recent sale of another 2.37 miles of the same Line to West Bloomfield Parks and Recreation is utterly ignored. No reasoning for ignoring a recent and relevant sale is presented. This Appraisal is clearly defective on its face.

Another obvious flaw in the Appraisal is that it contains an inaccurate assumption which is contrary to Standards Rule 2-1. At Page 12, the Appraisal states “the subject property was an operating railroad corridor.” Further, at Page 30 the Appraisal asserts that the rail corridor “has not been used this year”. These inaccurate assumptions again are fatal flaws. It is obviously inaccurate and misleading.

Although claiming to be an updated analysis to reflect recent market downturns, the Appraisal uses manifestly outdated sales for comparison purposes. For example at Pages 68-79 a review of the most recent sales used in the various charts indicates that of the 69 comparable properties, only 12 of them involve a sale from November 2009 or newer. As a result only 17.4% of comparables took place in the last 2.5 years. This is obviously misleading and inaccurate in that the Appraisal states over and over again that the current market is distressed. Obviously “distress” is now the current state of the market and contrary to the claims of the Appraisal, distress transactions have become the standard market condition locally and should not be excluded. Pre-distress sales should be discounted if they are used, but they are not. However, the Appraisal states at Page 20

that distressed transactions do not provide a realistic data. Further the Appraisal does not provide adjustments to the comparables for a user to follow as required by the standards. Adjustments to sale prices from and after 2004 would require a significant adjustment based upon the authors analysis of the market during that period. This adjustment is not clearly stated and is certainly not understandable to the intended users. Such a large adjustment, by its nature, even if made, reduces the reliability of the Appraisal. In the absence of a clear and fully explained discounting procedure, the Appraisal fails to meet USPAP Standard Rule 2-1 and should be rejected.

Standard Rule 1-4 (e) provides that where properties have been assembled into an “assemblage”, the appraiser must analyze the effect of the assemblage on value. This does not appear to have been done and accordingly the Appraisal does not comply with Standard Rule 2-1.

The Bowen appraisal asserts, at Page 53 that in Oakland County there are over 24,000 vacant residential sites. However, there are no listings for small residential parcels provided in the reports analysis. And only 4 lot sales in the last 3 years are provided for purposes of comparables.

Similarly, at Page 81, the Bowen Appraisal states at “auction, bank sales, foreclosure sales, etc are now the usual transaction. Some of these sales were used”. If according to Bowen these distress sales are now the “usual transaction”, they are now the norm and they are now the “market”. His failure to use these sales and create an adjustment based upon these sales is a failure to meet the USPAP Standards. See for example, Page 82 where Bowen boldly asserts, without discussion, that “foreclosure sales, auctions, etc are not representative of “fair market value””.

Standard Rule 2-2 (a)(b) requires that if marketing time is longer than 12 months, the value must be discounted for time. At Page 21, the Appraisal sets forth exposure (marketing) time for residential and commercial properties which vary from 2-7 years. No time-value discount has been included in the analysis. This is contrary to Standard Rules 2-2 (a)(b) and 2-1.

The Bowen report also fails to adjust real estate listings (realtor listings) for a probable selling price. To the extent that an adjustment has been made, what discount is applied and how it was determined is not clearly set forth as is required by Standard Rule 2-1.

III. ABUSE OF THE ABANDONMENT EXEMPTION

MAL's attempted use of an abandonment exemption is clearly an abuse of this process. Abandonment exemption is intended to allow existing railroads to abandon their common carrier obligation where changed circumstances warrant it. These changes are when the use of the rail line has declined to zero or near zero during the ownership. However, the current use is exactly at the same level it was when Browner-Turnout acquired the Line in November 2009; there has been no relevant change.

Browner-Turnout bought this Line with only one user, and did so knowingly. This is clearly set forth in the Acquisition Contracts. There has been no change, Browner-Turnout knowingly bought what it now has.

Cost and revenue issues are also of Browner-Turnouts own making. Despite having acquired a common carrier line, the Acquisition Contracts first transferred all rolling stock to RMH. Browner-Turnout alienated the equipment necessary to fulfill its common carrier obligations. Browner-Turnout/MAL has only now decided that it may

require a locomotive to perform its common carrier duties! See, Ramsey verified statement. Now MAL pays an inflated price for a locomotive that it once abandoned to RMH and expects the Board to treat this cost as a burden.

The Acquisition Contracts further show that Browner-Turnout never intended to fulfill its common carrier duties and intended to abandon the Line immediately with out regard to APT. RMH exited the market via the sale when its Line usage changed. MAL has not suffered any change, at least no change which is not of its own making. (Butler and Ramsey verify that MAL has not marketed the Line). Therefore Browner-Turnout/MAL are not entitled to an abandonment exemption.

IV. CONTINUED REGULATION IS NECESSARY TO FURTHER THE TRANSPORTATION POLICY

49 USC §10502(a) requires that any exemption further transportation policy. 49 USC §10101 sets forth the transportation policy of the United States Government in fifteen paragraphs. Granting the Petition would in fact frustrate several of these policy goals. These include:

(3) to promote a safe and efficient rail transportation system by allowing rail carriers to earn adequate revenues, as determined by the Board.

Granting the Second Petition would frustrate this goal as it leads to the diminishment of the rail transportation system available to APT.

(4) to ensure the development and continuation of a sound rail transportation system with effective competition among rail carriers and with other modes, to meet the needs of the public and the national defense.

Granting the SecondPetition would frustrate this goal as it would: (a) end a portion of rail transportation system which is currently relied upon by APT; and (b) end competition between rail and other modes of transport, namely trucking.

(5) to foster sound economic conditions in transportation and to ensure effective competition and coordination between rail carriers and other modes.

Granting the SecondPetition would frustrate this goal by eliminating competition between rail and truck modes for transport of APT's raw materials and for the several other industrial and commercial properties located along the Line.

(6) to maintain reasonable rates where there is an absence of effective competition and where rail rates provide revenues which exceed the amount necessary to maintain the rail system and to attract capital.

Granting the Second Petition would allow MAL to continue its scheme to drive away rail customers through excessive rates, dismal service and threats of discontinuance or abandonment.

(8) to operate transportation facilities and equipment without detriment to the public health and safety

Granting the Second Petition would frustrate this goal as increased truck traffic would:

(a) pass by two schools (Walled Lake Elementary and Walled Lake Western H.S.); and
(b) necessary result in increased air emissions, both at those schools and in the larger community.

(9) to encourage honest and efficient management of railroads.

Since the November 2009 acquisition of MAL by the Browner/Butler Group, MAL has not engaged in honest or efficient management. The Browner/Butler Group ownership has alienated all revenues; failed to engage in any maintenance, thereby inflating its supposed avoidable costs; and allowed RFS to operate the Line as an unlicensed carrier with increased pricing and with unreliable service. Continued regulation of the Line is necessary to restore appropriate management.

(13) to ensure the availability of accurate cost information in regulatory proceedings, while minimizing the burden on rail carriers of developing and maintaining the capability of providing such information.

Granting the Second Petition would frustrate this goal. The Second Petition contains incomplete, inaccurate, inapplicable and “manufactured financial data”. The appraisal, in support of the Second particular is deeply flawed and cannot be used to Petition. This also prohibits interested parties from making an offer of financial assistance (“OFA”)

(14) to encourage and promote energy conservation.

Granting the Second Petition would increase energy use and inefficiencies. Converting to truck transport would increase truck traffic by a factor of at least four to one. The energy inefficiencies of truck transport compared to rail are well known and obvious.

Further 49 U.S.C. § 10905 requires a finding that the Line is “not required for continued rail operations”. APT asserts that the Line is necessary for both rail operations generally and also for APT’s specific use.

CONCLUSION

The Second Petition for exemption should be denied, found void, or make subject to further proceedings before the Board.

Respectfully submitted,

August 10, 2011

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EXHIBIT 1

**EXCERPTS FROM: UNIFORM
STANDARDS FOR PROFESSIONAL
APPRAISAL PRACTICE, 2010-2011
EDITION**

UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE

2010-2011 EDITION

APPRAISAL STANDARDS BOARD



THE APPRAISAL FOUNDATION

*Authorized by Congress as the Source of Appraisal
Standards and Appraiser Qualifications*

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EFFECTIVE:

**January 1, 2010 through
December 31, 2011**

STANDARD 2: REAL PROPERTY APPRAISAL, REPORTING

In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.

Comment: STANDARD 2 addresses the content and level of information required in a report that communicates the results of a real property appraisal.

STANDARD 2 does not dictate the form, format, or style of real property appraisal reports. The form, format, and style of a report are functions of the needs of intended users and appraisers. The substantive content of a report determines its compliance.

Standards Rule 2-1

Each written or oral real property appraisal report must:

- (a) clearly and accurately set forth the appraisal in a manner that will not be misleading;
- (b) contain sufficient information to enable the intended users of the appraisal to understand the report properly; and
- (c) clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.

Standards Rule 2-2

Each written real property appraisal report must be prepared under one of the following three options and prominently state which option is used: Self-Contained Appraisal Report, Summary Appraisal Report, or Restricted Use Appraisal Report.¹⁶

Comment: When the intended users include parties other than the client, either a Self-Contained Appraisal Report or a Summary Appraisal Report must be provided. When the intended users do not include parties other than the client, a Restricted Use Appraisal Report may be provided.

The essential difference among these three options is in the content and level of information provided. The appropriate reporting option and the level of information necessary in the report are dependent on the intended use and the intended users.

An appraiser must use care when characterizing the type of report and level of information communicated upon completion of an assignment. An appraiser may use any other label in addition to, but not in place of, the label set forth in this Standard for the type of report provided.

The report content and level of information requirements set forth in this Standard are minimums for each type of report. An appraiser must supplement a report form, when necessary, to ensure that any intended user of the appraisal is not misled and that the report complies with the applicable content requirements set forth in this Standards Rule.

¹⁶ See Advisory Opinion 11, *Content of the Appraisal Report Options of Standards Rules 2-2 and 8-2*, and Advisory Opinion 12, *Use of the Appraisal Report Options of Standards Rules 2-2 and 8-2*

STANDARD 2

- 649 A party receiving a copy of a Self-Contained Appraisal Report, Summary Appraisal Report, or
650 Restricted Use Appraisal Report in order to satisfy disclosure requirements does not become
651 an intended user of the appraisal unless the appraiser identifies such party as an intended user
652 as part of the assignment.
- 653 (a) **The content of a Self-Contained Appraisal Report must be consistent with the intended use of the**
654 **appraisal and, at a minimum:**
- 655 (i) **state the identity of the client and any intended users, by name or type;¹⁷**
- 656 Comment: An appraiser must use care when identifying the client to ensure a clear
657 understanding and to avoid violations of the Confidentiality section of the ETHICS
658 RULE. In those rare instances when the client wishes to remain anonymous, an
659 appraiser must still document the identity of the client in the workfile but may omit
660 the client's identity in the report.
- 661 Intended users of the report might include parties such as lenders, employees of
662 government agencies, partners of a client, and a client's attorney and accountant.
- 663 (ii) **state the intended use of the appraisal;¹⁸**
- 664 (iii) **describe information sufficient to identify the real estate involved in the appraisal,**
665 **including the physical and economic property characteristics relevant to the**
666 **assignment;¹⁹**
- 667 Comment: The real estate involved in the appraisal can be specified, for example, by
668 a legal description, address, map reference, copy of a survey or map, property sketch
669 and/or photographs or the like. The information can include a property sketch and
670 photographs in addition to written comments about the legal, physical, and economic
671 attributes of the real estate relevant to the type and definition of value and intended
672 use of the appraisal.
- 673 (iv) **state the real property interest appraised;**
- 674 Comment: The statement of the real property rights being appraised must be
675 substantiated, as needed, by copies or summaries of title descriptions or other
676 documents that set forth any known encumbrances.
- 677 (v) **state the type and definition of value and cite the source of the definition;**
- 678 Comment: Stating the definition of value also requires any comments needed to
679 clearly indicate to intended users how the definition is being applied.²⁰
- 680 When reporting an opinion of market value, state whether the opinion of value is:

¹⁷ See Statement on Appraisal Standards No. 9, *Identification of Intended Use and Intended Users*.

¹⁸ See Statement on Appraisal Standards No. 9, *Identification of Intended Use and Intended Users*.

¹⁹ See Advisory Opinion 2, *Inspection of Subject Property*, and Advisory Opinion 23, *Identifying the Relevant Characteristics of the Subject Property of a Real Property Appraisal Assignment*.

²⁰ See Statement on Appraisal Standards No. 6, *Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions*. See also Advisory Opinion 7, *Marketing Time Opinions*, and Advisory Opinion 22, *Scope of Work in Market Value Appraisal Assignments, Real Property*.

- 681 • in terms of cash or of financing terms equivalent to cash, or
- 682 • based on non-market financing or financing with unusual conditions or
- 683 incentives.

684 When an opinion of market value is not in terms of cash or based on financing terms
 685 equivalent to cash, summarize the terms of such financing and explain their
 686 contributions to or negative influence on value.

- 687 (vi) **state the effective date of the appraisal and the date of the report;**²¹

688 Comment: The effective date of the appraisal establishes the context for the value
 689 opinion, while the date of the report indicates whether the perspective of the
 690 appraiser on the market and property as of the effective date of the appraisal was
 691 prospective, current, or retrospective.

- 692 (vii) **describe the scope of work used to develop the appraisal;**²²

693 Comment: Because intended users' reliance on an appraisal may be affected by the
 694 scope of work, the report must enable them to be properly informed and not misled.
 695 Sufficient information includes disclosure of research and analyses performed and
 696 might also include disclosure of research and analyses not performed.

697 When any portion of the work involves significant real property appraisal assistance,
 698 the appraiser must describe the extent of that assistance. The signing appraiser must
 699 also state the name(s) of those providing the significant real property appraisal
 700 assistance in the certification, in accordance with Standards Rule 2-3.²³

- 701 (viii) **describe the information analyzed, the appraisal methods and techniques employed, and**
 702 **the reasoning that supports the analyses, opinions, and conclusions; exclusion of the**
 703 **sales comparison approach, cost approach, or income approach must be explained;**

704 Comment: A Self-Contained Appraisal Report must include sufficient information to
 705 indicate that the appraiser complied with the requirements of STANDARD 1. The
 706 amount of detail required will vary with the significance of the information to the
 707 appraisal.

708 The appraiser must provide sufficient information to enable the client and intended
 709 users to understand the rationale for the opinions and conclusions, including
 710 reconciliation of the data and approaches, in accordance with Standards Rule 1-6.

711 When reporting an opinion of market value, a summary of the results of analyzing
 712 the subject sales, options, and listings in accordance with Standards Rule 1-5 is
 713 required.²⁴ If such information is unobtainable, a statement on the efforts undertaken
 714 by the appraiser to obtain the information is required. If such information is
 715 irrelevant, a statement acknowledging the existence of the information and citing its
 716 lack of relevance is required.

²¹ See Statement on Appraisal Standards No. 3, *Retrospective Value Opinions*, and Statement on Appraisal Standards No. 4, *Prospective Value Opinions*

²² See Advisory Opinion 28, *Scope of Work Decision, Performance, and Disclosure* and Advisory Opinion 29, *An Acceptable Scope of Work*

²³ See Advisory Opinion 31, *Assignments Involving More than One Appraiser*

²⁴ See Advisory Opinion 1, *Sales History*

STANDARD 2

- 717 (ix) state the use of the real estate existing as of the date of value and the use of the real
718 estate reflected in the appraisal; and, when an opinion of highest and best use was
719 developed by the appraiser, describe the support and rationale for that opinion;
- 720 (x) clearly and conspicuously:
- 721 • state all extraordinary assumptions and hypothetical conditions; and
 - 722 • state that their use might have affected the assignment results; and
- 723 (xi) include a signed certification in accordance with Standards Rule 2-3.
- 724 (b) The content of a Summary Appraisal Report must be consistent with the intended use of the
725 appraisal and, at a minimum:
- 726 Comment: The essential difference between the Self-Contained Appraisal Report and the
727 Summary Appraisal Report is the level of detail of presentation.
- 728 (i) state the identity of the client and any intended users, by name or type;²⁵
- 729 Comment: An appraiser must use care when identifying the client to ensure a clear
730 understanding and to avoid violations of the Confidentiality section of the ETHICS
731 RULE. In those rare instances when the client wishes to remain anonymous, an
732 appraiser must still document the identity of the client in the workfile but may omit
733 the client's identity in the report.
- 734 Intended users of the report might include parties such as lenders, employees of
735 government agencies, partners of a client, and a client's attorney and accountant.
- 736 (ii) state the intended use of the appraisal;²⁶
- 737 (iii) summarize information sufficient to identify the real estate involved in the appraisal,
738 including the physical and economic property characteristics relevant to the
739 assignment;²⁷
- 740 Comment: The real estate involved in the appraisal can be specified, for example, by
741 a legal description, address, map reference, copy of a survey or map, property sketch,
742 and/or photographs or the like. The summarized information can include a property
743 sketch and photographs in addition to written comments about the legal, physical,
744 and economic attributes of the real estate relevant to the type and definition of value
745 and intended use of the appraisal.
- 746 (iv) state the real property interest appraised;
- 747 Comment: The statement of the real property rights being appraised must be
748 substantiated, as needed, by copies or summaries of title descriptions or other
749 documents that set forth any known encumbrances.
- 750 (v) state the type and definition of value and cite the source of the definition;

²⁵ See Statement on Appraisal Standards No. 9, *Identification of Intended Use and Intended Users*

²⁶ See Statement on Appraisal Standards No. 9, *Identification of Intended Use and Intended Users*

²⁷ See Advisory Opinion 2, *Inspection of Subject Property*, and Advisory Opinion 23, *Identifying the Relevant Characteristics of the Subject Property of a Real Property Appraisal Assignment*

751 Comment: Stating the definition of value also requires any comments needed to
752 clearly indicate to the intended users how the definition is being applied.²⁸

753 When reporting an opinion of market value, state whether the opinion of value is:

- 754 • in terms of cash or of financing terms equivalent to cash, or
- 755 • based on non-market financing or financing with unusual conditions or
- 756 incentives.

757 When an opinion of market value is not in terms of cash or based on financing terms
758 equivalent to cash, summarize the terms of such financing and explain their
759 contributions to or negative influence on value.

760 (vi) **state the effective date of the appraisal and the date of the report;**²⁹

761 Comment: The effective date of the appraisal establishes the context for the value
762 opinion, while the date of the report indicates whether the perspective of the
763 appraiser on the market and property as of the effective date of the appraisal was
764 prospective, current, or retrospective.

765 (vii) **summarize the scope of work used to develop the appraisal;**³⁰

766 Comment: Because intended users' reliance on an appraisal may be affected by the
767 scope of work, the report must enable them to be properly informed and not misled.
768 Sufficient information includes disclosure of research and analyses performed and
769 might also include disclosure of research and analyses not performed.

770 When any portion of the work involves significant real property appraisal assistance,
771 the appraiser must summarize the extent of that assistance. The signing appraiser
772 must also state the name(s) of those providing the significant real property appraisal
773 assistance in the certification, in accordance with Standards Rule 2-3.³¹

774 (viii) **summarize the information analyzed, the appraisal methods and techniques employed,**
775 **and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the**
776 **sales comparison approach, cost approach, or income approach must be explained;**

777 Comment: A Summary Appraisal Report must include sufficient information to
778 indicate that the appraiser complied with the requirements of STANDARD 1. The
779 amount of detail required will vary with the significance of the information to the
780 appraisal.

781 The appraiser must provide sufficient information to enable the client and intended
782 users to understand the rationale for the opinions and conclusions, including
783 reconciliation of the data and approaches, in accordance with Standards Rule 1-6.

²⁸ See Statement on Appraisal Standards No. 6, *Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions*. See also Advisory Opinion 7, *Marketing Time Opinions*, and Advisory Opinion 22, *Scope of Work in Market Value Appraisal Assignments, Real Property*.

²⁹ See Statement on Appraisal Standards No. 3, *Retrospective Value Opinions*, and Statement on Appraisal Standards No. 4, *Prospective Value Opinions*.

³⁰ See Advisory Opinion 28, *Scope of Work Decision, Performance, and Disclosure*, and Advisory Opinion 29, *An Acceptable Scope of Work*.

³¹ See Advisory Opinion 31, *Assignments Involving More than One Appraiser*.

STANDARD 2

- 784 When reporting an opinion of market value, a summary of the results of analyzing
785 the subject sales, options, and listings in accordance with Standards Rule 1-5 is
786 required.³² If such information is unobtainable, a statement on the efforts undertaken
787 by the appraiser to obtain the information is required. If such information is
788 irrelevant, a statement acknowledging the existence of the information and citing its
789 lack of relevance is required.
- 790 (ix) state the use of the real estate existing as of the date of value and the use of the real
791 estate reflected in the appraisal; and, when an opinion of highest and best use was
792 developed by the appraiser, summarize the support and rationale for that opinion;
- 793 (x) clearly and conspicuously:
- 794 • state all extraordinary assumptions and hypothetical conditions; and
 - 795 • state that their use might have affected the assignment results; and
- 796 (xi) include a signed certification in accordance with Standards Rule 2-3.
- 797 (c) The content of a Restricted Use Appraisal Report must be consistent with the intended use of the
798 appraisal and, at a minimum:
- 799 (i) state the identity of the client, by name or type;³³ and state a prominent use restriction
800 that limits use of the report to the client and warns that the appraiser's opinions and
801 conclusions set forth in the report may not be understood properly without additional
802 information in the appraiser's workfile;
- 803 Comment: An appraiser must use care when identifying the client to ensure a clear
804 understanding and to avoid violations of the Confidentiality section of the ETHICS
805 RULE. In those rare instances when the client wishes to remain anonymous, an
806 appraiser must still document the identity of the client in the workfile but may omit
807 the client's identity in the report.
- 808 The Restricted Use Appraisal Report is for client use only. Before entering into an
809 agreement, the appraiser should establish with the client the situations where this
810 type of report is to be used and should ensure that the client understands the
811 restricted utility of the Restricted Use Appraisal Report.
- 812 (ii) state the intended use of the appraisal;³⁴
- 813 Comment: The intended use of the appraisal must be consistent with the limitation
814 on use of the Restricted Use Appraisal Report option in this Standards Rule (i.e.,
815 client use only).
- 816 (iii) state information sufficient to identify the real estate involved in the appraisal;³⁵

³² See Advisory Opinion 1, *Sales History*

³³ See Statement on Appraisal Standards No. 9, *Identification of Intended Use and Intended Users*

³⁴ See Statement on Appraisal Standards No. 9, *Identification of Intended Use and Intended Users*

³⁵ See Advisory Opinion 2, *Inspection of Subject Property*. References to Advisory Opinions are for guidance only and do not incorporate Advisory Opinions into USPAP

817 Comment: The real estate involved in the appraisal can be specified, for example, by
 818 a legal description, address, map reference, copy of a survey or map, property sketch,
 819 and/or photographs or the like.

820 (iv) **state the real property interest appraised;**

821 (v) **state the type of value, and cite the source of its definition;³⁶**

822 (vi) **state the effective date of the appraisal and the date of the report;³⁷**

823 Comment: The effective date of the appraisal establishes the context for the value
 824 opinion, while the date of the report indicates whether the perspective of the
 825 appraiser on the market and property as of the effective date of the appraisal was
 826 prospective, current, or retrospective.

827 (vii) **state the scope of work used to develop the appraisal;³⁸**

828 Comment: Because the client's reliance on an appraisal may be affected by the scope
 829 of work, the report must enable them to be properly informed and not misled.
 830 Sufficient information includes disclosure of research and analyses performed and
 831 might also include disclosure of research and analyses not performed.

832 When any portion of the work involves significant real property appraisal assistance,
 833 the appraiser must state the extent of that assistance. The signing appraiser must also
 834 state the name(s) of those providing the significant real property appraisal assistance
 835 in the certification, in accordance with Standards Rule 2-3.³⁹

836 (viii) **state the appraisal methods and techniques employed, state the value opinion(s) and
 837 conclusion(s) reached, and reference the workfile; exclusion of the sales comparison
 838 approach, cost approach, or income approach must be explained;**

839 Comment: An appraiser must maintain a specific, coherent workfile in support of a
 840 Restricted Use Appraisal Report. The contents of the workfile must include sufficient
 841 information to indicate that the appraiser complied with the requirements of
 842 STANDARD 1 and for the appraiser to produce a Summary Appraisal Report.

843 When reporting an opinion of market value, a summary of the results of analyzing
 844 the subject sales, options, and listings in accordance with Standards Rule 1-5 is
 845 required. If such information is unobtainable, a statement on the efforts undertaken
 846 by the appraiser to obtain the information is required. If such information is
 847 irrelevant, a statement acknowledging the existence of the information and citing its
 848 lack of relevance is required.

³⁶ See Statement on Appraisal Standards No. 6, *Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions*. See also Advisory Opinion 7, *Marketing Time Opinions*, and Advisory Opinion 22, *Scope of Work in Market Value Appraisal Assignments Real Property*.

³⁷ See Statement on Appraisal Standards No. 3, *Retrospective Value Opinions*, and Statement on Appraisal Standards No. 4, *Prospective Value Opinions*.

³⁸ See Advisory Opinions 28, *Scope of Work Decision, Performance, and Disclosure*, and Advisory Opinion 29, *An Acceptable Scope of Work*.

³⁹ See Advisory Opinion 31, *Assignments Involving More than One Appraiser*.

STANDARD 2

- 849 (ix) **state the use of the real estate existing as of the date of value and the use of the real**
850 **estate reflected in the appraisal; and, when an opinion of highest and best use was**
851 **developed by the appraiser, state that opinion;**
- 852 (x) **clearly and conspicuously:**
- 853 • **state all extraordinary assumptions and hypothetical conditions; and**
854 • **state that their use might have affected the assignment results; and**
- 855 (xi) **include a signed certification in accordance with Standards Rule 2-3.**

856 **Standards Rule 2-3**

857 **Each written real property appraisal report must contain a signed certification that is similar in content**
858 **to the following form:**

859 **I certify that, to the best of my knowledge and belief:**

- 860 — **the statements of fact contained in this report are true and correct.**
861 — **the reported analyses, opinions, and conclusions are limited only by the reported**
862 **assumptions and limiting conditions and are my personal, impartial, and unbiased**
863 **professional analyses, opinions, and conclusions.**
864 — **I have no (or the specified) present or prospective interest in the property that is the**
865 **subject of this report and no (or the specified) personal interest with respect to the**
866 **parties involved.**
867 — **I have no bias with respect to the property that is the subject of this report or to the**
868 **parties involved with this assignment.**
869 — **my engagement in this assignment was not contingent upon developing or reporting**
870 **predetermined results.**
871 — **my compensation for completing this assignment is not contingent upon the**
872 **development or reporting of a predetermined value or direction in value that favors**
873 **the cause of the client, the amount of the value opinion, the attainment of a stipulated**
874 **result, or the occurrence of a subsequent event directly related to the intended use of**
875 **this appraisal.**
876 — **my analyses, opinions, and conclusions were developed, and this report has been**
877 **prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.**
878 — **I have (or have not) made a personal inspection of the property that is the subject of**
879 **this report. (If more than one person signs this certification, the certification must**
880 **clearly specify which individuals did and which individuals did not make a personal**
881 **inspection of the appraised property.)⁴⁰**
882 — **no one provided significant real property appraisal assistance to the person signing**
883 **this certification. (If there are exceptions, the name of each individual providing**
884 **significant real property appraisal assistance must be stated.)**

885 **Comment: A signed certification is an integral part of the appraisal report. An appraiser who**
886 **signs any part of the appraisal report, including a letter of transmittal, must also sign this**
887 **certification.**

888 **In an assignment that includes only assignment results developed by the real property**
889 **appraiser(s), any appraiser(s) who signs a certification accepts full responsibility for all**
890 **elements of the certification, for the assignment results, and for the contents of the appraisal**

⁴⁰ See Advisory Opinion 2, *Inspection of Subject Property*.

891 report. In an assignment that includes personal property, business or intangible asset
892 assignment results not developed by the real property appraiser(s), any real property
893 appraiser(s) who signs a certification accepts full responsibility for the real property elements
894 of the certification, for the real property assignment results, and for the real property contents
895 of the appraisal report.

896 When a signing appraiser(s) has relied on work done by appraisers and others who do not sign
897 the certification, the signing appraiser is responsible for the decision to rely on their work.
898 The signing appraiser(s) is required to have a reasonable basis for believing that those
899 individuals performing the work are competent. The signing appraiser(s) also must have no
900 reason to doubt that the work of those individuals is credible.

901 The names of individuals providing significant real property appraisal assistance who do not
902 sign a certification must be stated in the certification. It is not required that the description of
903 their assistance be contained in the certification, but disclosure of their assistance is required
904 in accordance with Standards Rule 2-2(a), (b), or (c)(vii), as applicable.⁴¹

905 **Standards Rule 2-4**

906 **To the extent that it is both possible and appropriate, an oral real property appraisal report must address**
907 **the substantive matters set forth in Standards Rule 2-2(b).**

908 Comment: See the Record Keeping section of the ETHICS RULE for corresponding
909 requirements.

⁴¹ See Advisory Opinion 31, *Assignments Involving More than One Appraiser*

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB DOCKET NO. AB-1053 (Sub-No. 2X)

**MICHIGAN AIR-LINE RAILWAY CO.
-ABANDONMENT EXEMPTION-
LINE IN OAKLAND COUNTY, MICHIGAN**

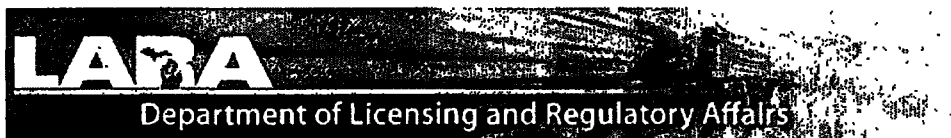
REPLY AND OBJECTION TO SECOND PETITION FOR EXEMPTION







EXHIBIT 2

**CORPORATE RECORDS OF RAIL
FREIGHT SERVICES, INC. AS
MAINTAINED BY STATE OF
MICHIGAN DEPARTMENT OF
LICENSING AND REGULATING
AFFAIRS**

[Michigan gov Home](#)[LARA Home](#) | [Sitemap](#) | [Contact](#) | [Online Services](#) | [Agencies](#)**CORPORATE ENTITY DETAILS****Searched for:** RAIL FREIGHT SOLUTIONS INC**ID Num:** 36606A**Entity Name:** RAIL FREIGHT SOLUTIONS INC**Type of Entity:** Domestic Profit Corporation**Resident Agent:** B ALLEN BROWN II**Registered Office Address:** 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390**Mailing Address:** 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390**Formed Under Act Number(s):** 284-1972**Incorporation/Qualification Date:** 6-23-2006**Jurisdiction of Origin:** MICHIGAN**Number of Shares:** 60,000**Year of Most Recent Annual Report:** 11**Year of Most Recent Annual Report With Officers & Directors:** 09**Status:** ACTIVE **Date:** Present[View Document Images](#)[Return to Search Results](#)[New Search](#)[Michigan gov Home](#) | [LARA Home](#) | [LARA Contact](#) | [State Web Sites](#)
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	Number of Pages	Filing Date
 2011 ANNUAL REPORT	1	5/15/2011
 2010 ANNUAL REPORT	1	5/4/2010
 2009 ANNUAL REPORT	1	2/21/2009
 2008 ANNUAL REPORT	1	5/20/2008
 2007 ANNUAL REPORT	1	8/15/2007
 ARTICLES OF INCORPORATION - PROFIT	3	6/23/2006

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MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH BUREAU OF COMMERCIAL SERVICES	
Date Received JUN 23 2006	(FOR BUREAU USE ONLY) <div style="text-align: center; font-size: 1.2em; font-weight: bold;">FILED</div> <div style="text-align: center; font-weight: bold;">JUN 23 2006</div> <div style="text-align: center; font-size: 0.8em;"> Administrator BUREAU OF COMMERCIAL SERVICES </div>
This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.	
Name B. Allen Brown	Effective Date:
Address 840 North Pontiac Trail	
City State ZIP Code Walled Lake, Michigan 48390	

Document will be returned to the name and address you enter above. If left blank document will be mailed to the registered office.

36606A

ARTICLES OF INCORPORATION
 For use by Domestic Profit Corporations
 (Please read information and instructions on the last page)

Pursuant to the provisions of Act 284, Public Acts of 1972, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is:

Rail Freight Solutions Inc.

ARTICLE II

The purpose or purposes for which the corporation is formed is to engage in any activity within the purposes for which corporations may be formed under the Business Corporation Act of Michigan.

ARTICLE III

The total authorized shares:

1. Common Shares **60,000**

Preferred Shares

2. A statement of all or any of the relative rights, preferences and limitations of the shares of each class is as follows:

ARTICLE IV

1. The address of the registered office is:

840 North Pontiac Trail, Walled Lake **48390**
(Street Address) (City) , Michigan (ZIP Code)

2. The mailing address of the registered office, if different than above:

(Street Address or P.O. Box) (City) , Michigan (ZIP Code)

3. The name of the resident agent at the registered office is: **B. Allen Brown**

Handwritten: 6000 197594 CKLSLC

ARTICLE V

The name(s) and address(es) of the incorporator(s) is(are) as follows:

Name	Residence or Business Address
B. Allen Brown	840 North Pontiac Trail, Walled Lake, MI 48390

ARTICLE VI (Optional, Delete if not applicable)

When a compromise or arrangement or a plan of reorganization of this corporation is proposed between this corporation and its creditors or any class of them or between this corporation and its shareholders or any class of them, a court of equity jurisdiction within the state, on application of this corporation or of a creditor or shareholder thereof, or an application of a receiver appointed for the corporation, may order a meeting of the creditors or class of creditors or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or reorganization, to be summoned in such manner as the court directs. If a majority in number representing 3/4 in value of the creditors or class of creditors, or of the shareholders or class of shareholders to be affected by the proposed compromise or arrangement or a reorganization, agree to a compromise or arrangement or a reorganization of this corporation as a consequence of the compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, or on all the shareholders or class of shareholders and also on this corporation.

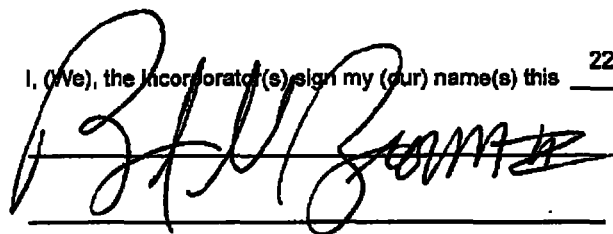
ARTICLE VII (Optional, Delete if not applicable)

Any action required or permitted by the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. A written consent shall bear the date of signature of the shareholder who signs the consent. Written consents are not effective to take corporate action unless within 60 days after the record date for determining shareholders entitled to express consent to or to dissent from a proposal without a meeting, written consents dated not more than 10 days before the record date and signed by a sufficient number of shareholders to take the action are delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation having custody of the minutes of the proceedings of its shareholders. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who would have been entitled to notice of the shareholder meeting if the action had been taken at a meeting and who have not consented to the action in writing. An electronic transmission consenting to an action must comply with Section 407(3).

The space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added. Attach additional pages if needed.

I, (We), the Incorporator(s) sign my (our) name(s) this 22nd day of June, 2006.



**MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES, CORPORATION DIVISION
PROFIT CORPORATION INFORMATION UPDATE
2007**

Identification Number 36606A	Corporation Name RAIL FREIGHT SOLUTIONS INC.				
Resident agent name and mailing address of the registered office B ALLEN BROWN 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390					
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; vertical-align: top;"> The address of the registered office 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390 </td> <td style="width:50%;"></td> </tr> </table>		The address of the registered office 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390			
The address of the registered office 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390					
Describe the purpose and activities of the corporation during the year covered by this report RAIL FREIGHT SOLUTIONS INC. PROVIDES RAIL FREIGHT LOGISTICS, SPECIALIZED TRUCK TRANSPORTATION AND TRANSLOADING SERVICES.					
Officer/Director Information					
NAME	TITLE BUSINESS OR RESIDENCE ADDRESS				
B ALLEN BROWN	PRESIDENT 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390				
B ALLEN BROWN	SECRETARY 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390				
B ALLEN BROWN	TREASURER 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390				
B ALLEN BROWN	DIRECTOR 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390				
Electronic Signature					
Filed By B ALLEN BROWN	<table style="width:100%;"> <tr> <td style="width:50%;">Title</td> <td style="width:50%;">Phone</td> </tr> <tr> <td>AUTHORIZED OFFICER OR AGENT</td> <td>248-960-9950</td> </tr> </table>	Title	Phone	AUTHORIZED OFFICER OR AGENT	248-960-9950
Title	Phone				
AUTHORIZED OFFICER OR AGENT	248-960-9950				
<input checked="checked" type="checkbox"/> I certify that this filing is submitted without fraudulent intent and that I am authorized by the business entity to make any changes reported herein.					
Payment Information					
Payment Amount \$ 25.00	<table style="width:100%;"> <tr> <td style="width:50%;">Payment Date/Time</td> <td style="width:50%;">Reference Nbr</td> </tr> <tr> <td>08/15/2007 17:55:05</td> <td>71315 6801 36606A 2007</td> </tr> </table>	Payment Date/Time	Reference Nbr	08/15/2007 17:55:05	71315 6801 36606A 2007
Payment Date/Time	Reference Nbr				
08/15/2007 17:55:05	71315 6801 36606A 2007				

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH
PROFIT CORPORATION INFORMATION UPDATE

2008

FILED

Due May 15, 2008

File Online at www.michigan.gov/fileonline

Identification Number 36606A	Corporation name RAIL FREIGHT SOLUTIONS INC.	by Department Bureau of Commercial Services	
Resident agent name and mailing address of the registered office B ALLEN BROWN 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390		RECEIVED APR 25 2008 DLEG \$25.00	For Bureau use only Fee Received <input type="checkbox"/> \$25 before May 16 <input type="checkbox"/> \$35 (May 18 - 31) <input type="checkbox"/> \$45 (June 1 - 30) <input type="checkbox"/> \$55 (July 1 - 31) <input type="checkbox"/> \$65 (Aug 1 - 31) <input type="checkbox"/> \$75 after August 31
The address of the registered office 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390			

☐ To certify there are no changes from your previous filing check this box and proceed to item 8. If the resident agent and/or registered office has changed complete items 1-8. If only officer and director information has changed complete items 4-6.

1. Mailing address of registered office in Michigan (may be a P.O. Box) 840 North Pontiac Trail; Wall Lake MI 48390	2. Resident Agent B. Allen Brown
3. The address of the registered office in Michigan (a P.O. Box may not be designated as the address of the registered office) - Same -	

4. Describe the general nature and kind of business in which the corporation is engaged:
Rail Transportation Logistics Service Provider

5.	NAME	BUSINESS OR RESIDENCE ADDRESS
President (Required)	B. Allen Brown	840 North Pontiac Trail
Secretary (Required)	- Same -	Walled Lake MI 48390
Treasurer (Required)	- Same -	
Vice - President		
Director		
Director		
Director		

6. Signature of authorized officer or agent: **[Signature]** Title: **President/CEO** Date: **9/21/08** Phone (Optional): **848-960-9950**

Filing fee \$25

Report due May 15, 2008.

If received after May 15, penalty fees will be assessed.

Please make your check or money order payable to the State of Michigan.

Return to: Michigan Department of Labor & Economic Growth
Bureau of Commercial Services, Corporation Division
P.O. Box 30481
Lansing, MI 48909
(517) 241-6470

**MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES, CORPORATION DIVISION
PROFIT CORPORATION INFORMATION UPDATE
2009**

Identification Number 36606A	Corporation Name RAIL FREIGHT SOLUTIONS INC.
Resident agent name and mailing address of the registered office B ALLEN BROWN II 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390	
The address of the registered office 840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390	

Describe the purpose and activities of the corporation during the year covered by this report:
RAIL FREIGHT SOLUTIONS, INC. IS A FULL SERVICE RAIL LOGISTICS COMPANY AND HOLDS A COMMON CARRIER TRUCKING COMPANY CERTIFICATE.

Officer/Director Information		
NAME	TITLE	BUSINESS OR RESIDENCE ADDRESS
B. ALLEN BROWN II	PRESIDENT	840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390
B. ALLEN BROWN II	SECRETARY	840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390
B. ALLEN BROWN II	TREASURER	840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390
B. ALLEN BROWN II	DIRECTOR	840 NORTH PONTIAC TRAIL WALLED LAKE MI 48390

Electronic Signature		
Filed By B. ALLEN BROWN II	Title AUTHORIZED OFFICER OR AGENT	Phone 248-960-9950
<input checked="checked" type="checkbox"/> I certify that this filing is submitted without fraudulent intent and that I am authorized by the business entity to make any changes reported herein.		

Payment Information		
Payment Amount \$ 25.00	Payment Date/Time 02/21/2009 00:36:23	Reference Nbr 71315 6801 36606A 2009

**MICHIGAN DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES, CORPORATION DIVISION
PROFIT CORPORATION INFORMATION UPDATE**

2010

☒ On behalf of the Corporation, I certify that no changes have occurred in required information since the last filed annual report.

Identification Number

36606A

Corporation Name

RAIL FREIGHT SOLUTIONS INC.

Resident agent name and mailing address of the registered office

B ALLEN BROWN II**840 NORTH PONTIAC TRAIL****WALLED LAKE MI 48390**

The address of the registered office

840 NORTH PONTIAC TRAIL**WALLED LAKE MI 48390**

Describe the purpose and activities of the corporation during the year covered by this report:

Electronic Signature

Filed By

B. ALLEN BROWN II

Title

President & CEO

Phone

248-960-9440

I certify that this filing is submitted without fraudulent intent and that I am authorized by the business entity to make any changes reported herein.

Payment Information

Payment Amount

\$ 25.00

Payment Date/Time

05/04/2010 04:49:06

Reference Nbr

71315 6801 36606A 2010

**MICHIGAN DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES, CORPORATION DIVISION
PROFIT CORPORATION INFORMATION UPDATE**

2011

☒ On behalf of the Corporation, I certify that no changes have occurred in required information since the last filed annual report.

Identification Number

36606A

Corporation Name

RAIL FREIGHT SOLUTIONS INC.

Resident agent name and mailing address of the registered office

B ALLEN BROWN II**840 NORTH PONTIAC TRAIL****WALLED LAKE MI 48390**

The address of the registered office

840 NORTH PONTIAC TRAIL**WALLED LAKE MI 48390**

Describe the purpose and activities of the corporation during the year covered by this report:

Electronic Signature

Filed By

B. ALLEN BROWN II

Title

AUTHORIZED OFFICER OR AGENT

Phone

248-960-9440

☒ I certify that this filing is submitted without fraudulent intent and that I am authorized by the business entity to make any changes reported herein.

Payment Information

Payment Amount

\$ 25

Payment Date/Time

05/15/2011 13:58:26

Reference Nbr

71315 6801 36606A 2011

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB DOCKET NO. AB-1053 (Sub-No. 2X)

**MICHIGAN AIR-LINE RAILWAY CO.
-ABANDONMENT EXEMPTION-
LINE IN OAKLAND COUNTY, MICHIGAN**

REPLY AND OBJECTION TO SECOND PETITION FOR EXEMPTION

EXHIBIT 3

**SERVICES INVOICES
JUNE 2011 AND JULY 2011**

RAIL FREIGHT SOLUTIONS

Rail Freight Solutions Inc.
840 North Pontiac Trail
Walled Lake, MI 48390-3232

(248)960-9440
abrown@railmark.com

67559

Invoice

DATE	INVOICE #
05/19/2011	1133
TERMS	DUE DATE
Due By Due Date	05/31/2011

BILL TO

American Plastic Toys Inc
P. O. Box 100
799 Ladd Road
Walled Lake, MI 48390-0100
USA

AMOUNT DUE	ENCLOSED
\$7,250.00	

Purchase Order

EMAIL-Jim Grau

Date	Activity	Quantity	Rate	Amount
06/01/2011	All associated railroad charges, including Demurrage, Local Switching, Railcar Storage Charges, Transload Facility Access, Return To Interchange and all other Misc. Rail Services for the Month of June 2011.	1	7,250.00	7,250.00
06/01/2011	Negotiated Rate For June 2011 Includes FRA Required Activities, Apprived By Jim Grau via E-Mail Dated 08/24/10			

DATE REC. MAY 20 2011 CODE June 4205-4
TERMS DISC MATH St
PLANT W APPROVED Jim Grau

THANK YOU for your business, we look forward to serving you again! Please make checks payable to RAIL FREIGHT SOLUTIONS INC

TOTAL

\$7,250.00

Michigan Air-Line Railway Co.

7160 S. 29th Street
Suite A-3
Lincoln, NE 68516
Phone/Fax (402)420-0505

TO:
American Plastic Toys Inc.
P.O. Box 100
799 Ladd Road
Walled Lake, MI 48390-0100

51988

INVOICE

INVOICE #1002
DATE: JULY 14, 2011

FOR:
August 2011

DESCRIPTION	AMOUNT
All associated railroad charges, including demurrage, local switching, railcar storage charges, transloading facility access, return to interchange, and all other miscellaneous rail services for the month of August 2011.	\$7,250.00
DATE REC. <u>JUL 14 2011</u> CODE _____	
TERMS _____ FISC _____ MATH <u>DM</u>	
PLANT <u>W</u> APPROVED <u>6/27/11</u> Jim Gm	
TOTAL	<u>\$7,250.00</u>

Make all checks payable to Michigan Air-Line Railway Co.
Total due by August 1st 2011. Overdue accounts subject to a service charge of 1% per month.

Thank you for your business!

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB DOCKET NO. AB-1053 (Sub-No. 2X)

**MICHIGAN AIR-LINE RAILWAY CO.
-ABANDONMENT EXEMPTION-
LINE IN OAKLAND COUNTY, MICHIGAN**

REPLY AND OBJECTION TO SECOND PETITION FOR EXEMPTION

EXHIBIT 4

**PAGES FROM RAILMARK
WEB PAGE**

RAILMARK

A NEW TRAIN OF THOUGHT[®]

Railroad Operations

RailLogistics

Track Construction
& Maintenance

Railcar Services

Rail Development

Rail Entertainment

International Operations

Customer Login

Amesbury, Inc.
Incorporated 1998

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RAILMARK

A NEW TRAIN OF THOUGHT...[®]

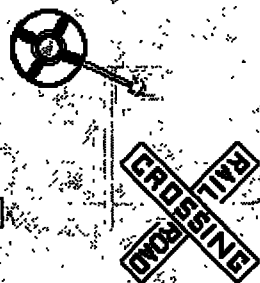
Company Profile | Management Team | What is "A new train of thought ...[®]?"

Company Profile

RAILMARK[®] provides unique, cost-effective, integrated and environmentally friendly products and services to the railroad industry, rail transportation users, rail shippers, governments, port facilities and the general public, that reflects "A NEW TRAIN OF THOUGHT ...[®]".

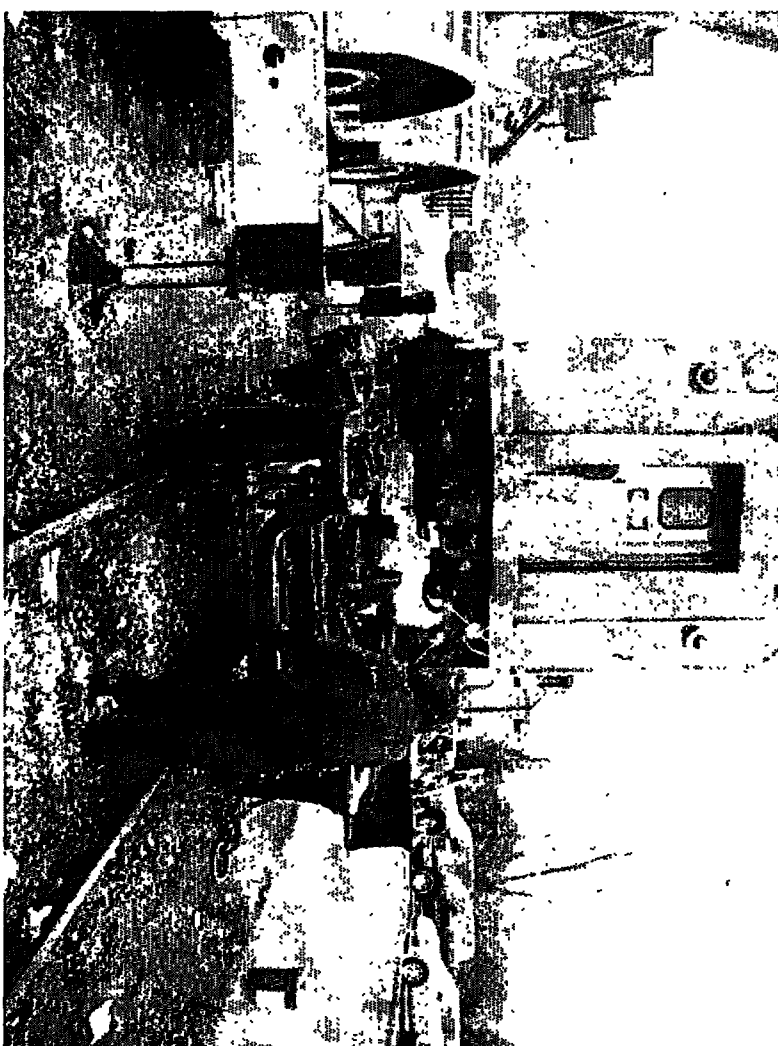
Founded in 1998, Railmark Holdings, Inc. ("Railmark[®]" or "Company") operates in the railroad industry within five primary core business segments:

- i. **Railroad Operations** – Offering direct rail freight services through the operation or ownership of short line railroads & industrial switching operations.
- ii. **Track Construction & Maintenance** – Services offered through Railmark Track Works Inc., now with active customers in 32 states.
- iii. **Rail Freight Logistics** – Through the Company's Rail Freight Solutions Inc subsidiary, performs (a.) Rail-to-Truck Transloading and Doorstep Delivery, (b.) Barge-to-Truck and Barge-to-Rail Transloading services, (c.) Common Carrier Specialized Trucking Services, (d.) performs specialized railcar equipment loading services and (e.) supply chain distribution management services specializing in rail or intermodal transportation modes.
- iv. **Railcar Repair Services** – Through the Company's Railmark Railcar Services Inc. subsidiary, provides railcar storage and management services, mobile freight car repair services, mobile passenger car repair services, shop repair services for both passenger and freight railcars, and offers replacement parts for passenger cars.
- v. **Rail Entertainment (Passenger/General Public)** – Through the Company's Rail Entertainment Inc. subsidiary, Railmark owns and operates the first and oldest dinner train in North America,



the **Star Clipper Dinner Train®** and **Pullman Palace Bed & Breakfast™**. While principally in business to provide quality services and products to the Company's industrial customers, Railmark believes in delivering quality rail entertainment experiences to the general public so that its customers can better connect with rail, rail's storied past and its optimistic future.

An accomplished provider of railroad and rail systems development, Railmark provides a complete line of consulting, rail improvement, marketing and rail management services to railroads, governments, municipalities and industrial clients. Railmark's team of employees, associates and strategic partners have the ability to work anywhere in the world and currently maintains a presence on three continents. Railmark invests in research and development for new products that will benefit the railroad industry.



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RAILMARK

A NEW TRAIN OF THOUGHT. ®

Railroad Operations

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Railroad Operations

Raillogistics

Track Construction
& Maintenance

Railcar Services

Rail Development

Rail Entertainment

International Operations

Customer Login

America's
Ingenuity Since 1998

Contact Us
Railroad Operations

Shortline Railroad Operations

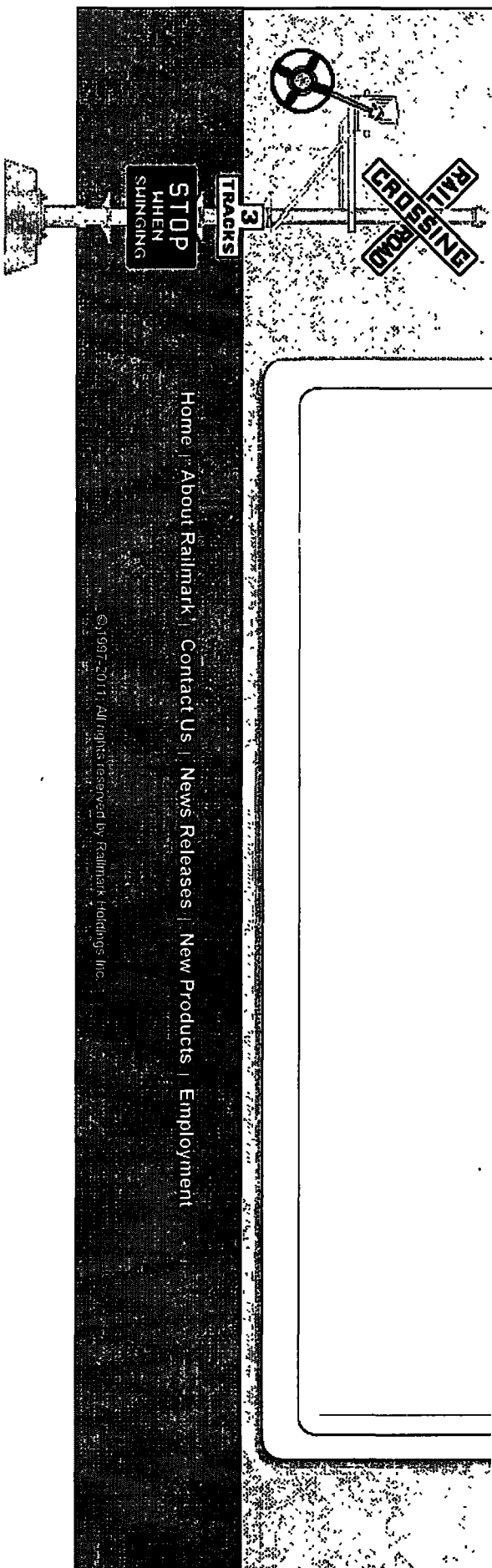
New Products

Coming soon.

Industrial Switching Services

RAILMARK INDUSTRIAL SWITCHING

Providing complete, efficient and integrated Industrial Switching Services.



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[Track Construction
& Maintenance](#)
[Railcar Services](#)
[Rail Development](#)
[Rail Entertainment](#)
[International Operations](#)
[Customer Login](#)


CORPORATE HEADQUARTERS

Railmark Holdings Inc.
840 North Pontiac Trail
Walled Lake, MI 48390
(248) 960-9440 Voice
(248) 960-9444 Fax

RAILMARK'S CUSTOMER SERVICE CENTER

(248) 960-9440, Ext. 101
operations@railmark.com

BUSINESS DEVELOPMENT, US, CANADA, & MEXICO

William C. Ayars, Director of Marketing

(248) 960-9440, Ext. 104
(734) 395-8016 (Cell)
bayars@railmark.com

For Rail Logistics

(248) 960-9440, Ext. 102
marketing@railmark.com

For Railmark Track Works

(248) 960-9440, Ext. 103
marketing@railmark.com

OTHER RAILMARK DEPARTMENTS

For Rail Entertainment USA and its Florida and California-based Dinner and Excursion Trains

(248) 960-9440, Ext. 105
reservations@rail-road.com

Accounting Department

(248) 960-9440, Ext. 106
accounting@railmark.com

B. Allen Brown, President & CEO

(248) 960-9440, Ext. 107
(309) 370-5160 (Cell)
abrown@railmark.com

Sally A. Zielinski

(248) 960-9440, Ext. 100

TRACK CONSTRUCTION & MAINTENANCE

Steven R. White, General Manager – Detroit/Toledo Division

840 North Pontiac Trail
Walled Lake, MI 48390
(248) 960-9440
24-hour Emergency Line (309) 370-5160

RAIL ENTERTAINMENT

Rail Entertainment USA Inc.

- The Star Clipper Dinner Train®
- Great Michigan Scenic Railway
- Pullman Palace Bed & Breakfast
- Steel Wheels Entertainment Train
- The BackTrack Lounge

840 North Pontiac Trail
Walled Lake, MI 48390
(248) 960-9440 Voice & 24-Hour Information Line
(248) 960-9444 Fax
reservations@rail-road.com

Michael J. Klier, Director of Entertainment

mklier@rail-road.com

Sally A. Zielinski, Chief Reservationist
(248) 960-9440, Ext 100
reservations@rail-road.com

Reservations Desk
(248) 960-9440, Ext 105
reservations@rail-road.com

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**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB DOCKET NO. AB-1053 (Sub-No. 2X)

**MICHIGAN AIR-LINE RAILWAY CO.
-ABANDONMENT EXEMPTION-
LINE IN OAKLAND COUNTY, MICHIGAN**

REPLY AND OBJECTION TO SECOND PETITION FOR EXEMPTION

EXHIBIT 5

**RAILMARK E-MAIL
JANUARY 29, 2010**

From: Railmark Accounting [mailto:accounting@railmark.com]
Sent: Friday, January 29, 2010 11:14 AM
To: James Grau
Cc: Glen Miller; Steffi Korens; Linda Tinker
Subject: January 2010 Invoices
Importance: High

Jim,

As discussed this morning, we have voided our invoice #1042 in the amount of \$5,700 and re-issued (via e-mail to Linda Tinker) the invoice for the other two cars received in January that were placed at your facility on 01/23/10. They were invoiced at \$500 per car.

As we agreed, we will be sending an invoice in the amount of \$6,500 for February and again in March, reducing that amount to \$4,000 per month for the second quarter.

Please have Steffi use my cell phone first and she can also call Sam Crowl, as she has done in the past.

The other issues we discussed are being followed up on a separate e-mail.

If anyone has any questions, please contact me.

Regards,
B. Allen Brown
(309) 370-5160

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB DOCKET NO. AB-1053 (Sub-No. 2X)

**MICHIGAN AIR-LINE RAILWAY CO.
-ABANDONMENT EXEMPTION-
LINE IN OAKLAND COUNTY, MICHIGAN**

REPLY AND OBJECTION TO SECOND PETITION FOR EXEMPTION

EXHIBIT 6

**RAILMARK E-MAIL
FEBRUARY 10, 2011**

From: Marty Ramsey [mailto:mramsey@brownerturnout.com]

Sent: Wednesday, February 10, 2010 11:29 AM

To: Glen Miller; John Gessert; James Grau

Cc: brownerturnout@jagwireless.net

Subject: Michigan Air-Line Railway

Dear Mr. Miller, Mr. Gessert and Mr. Grau:

By way of brief introduction my name is Marty Ramsey and I am the new Treasurer/Secretary of the Michigan Air-Line Railway. By now I am sure you are aware of the purchase of the Michigan Air-Line Railway by my organization in November of 2009. I am not certain as to all of the information that you have gathered from this transaction but I do know that representatives of American Plastic Toys have been in contact with Mr. Allen Brown. The purchase of the Michigan Air-Line Railway was structured in a way that allowed for my company to retain the name however the operations of the railroad have been temporarily placed under the direction Mr. Brown and his company Railmark Holdings, Inc. The new owner of the Michigan Air-Line Railway is Robert Butler and our corporate offices are located at 7160 S. 29th in Lincoln, Nebraska.

The secondary purpose of my correspondence today is to briefly introduce myself and my organization but the primary purpose is to inquire about the possibility of an informal meeting between the representatives of American Plastic Toys and Mr. Butler as the new owner of the Michigan Air-Line Railway. His goal for the meeting would be to provide insight into the future of the railroad and to discuss any questions or concerns your organization may have. Mr. Butler plans to be in the Walled Lake area the afternoon of Tuesday, March 2nd and would appreciate a few minutes of your time. If a brief meeting at your offices in Walled Lake would work please feel free to drop me a reply email or a call at (402) 420-0505.

Sincerely,

Marty Ramsey, CFO

Browner Turnout Co.

7160 S. 29th Street

Suite 3

Lincoln, NE 68516

(402) 420-0505 (Office)

mramsey@brownerturnout.com

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB DOCKET NO. AB-1053 (Sub-No. 2X)

**MICHIGAN AIR-LINE RAILWAY CO.
-ABANDONMENT EXEMPTION-
LINE IN OAKLAND COUNTY, MICHIGAN**

REPLY AND OBJECTION TO SECOND PETITION FOR EXEMPTION

EXHIBIT 7

**RAILMARK – GRAU E-MAIL
STRING JULY 8-11, 2010**

-----Original Message-----

From: Railmark Accounting Department [mailto:accounting@railmark.com]

Sent: Sunday, July 11, 2010 7:02 PM

To: James Grau

Cc: B. Allen Brown

Subject: Re: Rail line transfers in August

Jim,

In addition to the \$5,000, I am saying that I will be required to commence a fall brush cutting and weed control program. I am required to address it, not necessarily complete it. I estimate \$7,000 to \$7,500 in total for August and a similar amount for September. I will have to notify the FRA. Also we will be required to perform certain quarterly inspections to our locomotives, signals and track.

I am willing to work with you anyway I can, provided however, we can cease rail direct by freezing weather. Also if I could learn of your intentions with my company beyond rail direct service may also motivate me to absorb more of these additional costs for the fall.

Let me know what you think.

Regards,
B. Allen Brown
(309) 370-5160 Cell

8/9/2011

(248) 960-9440 Office

----- Original Message -----

From: James Grau

To: 'Railmark Accounting Department'

Sent: Friday, July 09, 2010 9:26 AM

Subject: RE: Rail line transfers in August

Allen,

We would never think about having you do anything for us that falls outside the law. So that's off the table.

Is the \$ 2,000 to \$ 2,500 a charge for September only.

I know we are going month to month at this point but is October a possibility also?

Jim Grau

Treasurer

American Plastic Toys, Inc.

248-624-4881

----- Original Message -----

From: Railmark Accounting Department [mailto:accounting@railmark.com]

Sent: Friday, July 09, 2010 9:12 AM

To: James Grau

Subject: Re: Rail line transfers in August

Jim,

August is confirmed. But beyond August I have to notify the FRA and begin a fall brush cutting program on the tracks from Walled Lake to the interchange. This is not a problem, but the \$5000 would not cover the brush program. I guess I can develop a plan, present it to the FRA and determine the cost. I believe that it would be around \$2,000 to \$2,500. If I provide service in September without the brush program, it is a wilful violation and I can be subject to some bad things and a fine.

Allen Brown

----- Original Message -----

From: James Grau

To: 'accounting@railmark.com'

Sent: Friday, July 09, 2010 8:47 AM

Subject: RE: Rail line transfers in August

Allen,

Please continue our service for the month of August. Let's touch base regarding September in early August.

Thanks,

Jim Grau

8/9/2011

-----Original Message-----

From: Railmark Accounting Department [mailto:accounting@railmark.com]
Sent: Thursday, July 08, 2010 10:13 AM
To: James Grau
Cc: Steffi Korens
Subject: Re: Rail line transfers in August

Mr. Grau:

Yes I can offer service in the month of August. If we offer service beyond August we are required by the Federal Railroad Administrator to conduct fall brushcutting activities that would add to my costs that are presently not included in our monthly invoice. Running a "revenue" train in September without also beginning a fall brush program would be a "wilful violation". I am willing to run past August, but it would be maybe \$2500 more. Its totally your call.

I had previously provided rates and other detail regarding the bulk transfer from rail and truck delivery to your plant. I would appreciate some feedback on those rates and I remain willing to assist you in the transition to transloading and some tips to rein in some of those costs.

I look forward to hearing from you.

Regards,
B. Allen Brown
(248) 960-9440, Ext. 107 Office
(309) 370-5160 Cell

----- Original Message -----

From: James Grau
To: 'Railmark Accounting'
Cc: Steffi Korens
Sent: Thursday, July 08, 2010 7:58 AM
Subject: Rail line transfers in August

Allen,

I signed a check last week for the month for you to provide service to us for the month of July.

Are you also available to do pulls in the month of August?

Let us know. Were starting to have to watch our purchases in order to make sure we can get the trains off our line after they are empty.

Jim Grau
Treasurer
American Plastic Toys, Inc.

248-624-4881

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB DOCKET NO. AB-1053 (Sub-No. 2X)

**MICHIGAN AIR-LINE RAILWAY CO.
-ABANDONMENT EXEMPTION-
LINE IN OAKLAND COUNTY, MICHIGAN**

REPLY AND OBJECTION TO SECOND PETITION FOR EXEMPTION

EXHIBIT 8

**BROWN-RAILMARK E-MAILS
SEPTEMBER 19, 2009**

From: Paul Albrant
Sent: Friday, September 18, 2009 7:40 AM
To: John Gessert; James Grau
Subject: FW: Status of Rail Service
Importance: High

John & Jim,
Please see the message below from Allen Brown regarding rail service. We should try to meet with him sometime next week to go over all of his issues. Please advise a date / time that would work.

Thanks, Paul

From: B. Allen Brown [mailto:abrown@railmark.com]
Sent: Thursday, September 17, 2009 10:03 PM
To: Paul Albrant
Subject: Status of Rail Service
Importance: High

Paul,

I would like to find some time next week to meet with you regarding the status of rail service.

As you may recall, we had spoken about a letter whereby American Plastic Toys would not contest our abandonment. I also committed to keeping you up to date with the status of the rail line and the local community's efforts to acquire it and convert it into a trail. I also committed to delivering the best possible service and lowering our rates (which we did in July despite the fact that a closing did not take place at that time). I also committed to working with you and others to demonstrate the benefits of transloading and the additional rate benefits that could be derived through three Class I carriers competing for your business. Finally I also stated that during the winter months that the rates would need to be higher again.

Paul, I would like to speak with you and others at APT about a service wind-down and obtaining this letter. As I have said, the letter reduces our costs in this process and provides an opportunity to work together on a structured wind-down of direct rail service

8/9/2011

to your plant.

I am not suggesting that your service will be lessened any time soon and in fact, we may be able to commit to service during the first half of 2010. It will provide benefits to both of us to begin structuring this plan and in the end, it will add a competitive advantage to APT's sourcing of your plastic raw materials.

Please provide a time that you and I could meet next week to discuss a presentation to your company.

Regards,
B. Allen Brown
President & CEO
Michigan Air-Line Railway Co.

(248) 960-9440 Voice
(248) 960-9444 Fax
(309) 370-5160 Cell
abrown@railmark.com E-mail
www.railmark.com Website

8/9/2011

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC**

STB DOCKET NO. AB-1053 (Sub-No. 2X)

**MICHIGAN AIR-LINE RAILWAY CO.
-ABANDONMENT EXEMPTION-
LINE IN OAKLAND COUNTY, MICHIGAN**

REPLY AND OBJECTION TO SECOND PETITION FOR EXEMPTION

EXHIBIT 9

**RAMSEY E-MAIL
JUNE 9, 2011**

From: Marty Ramsey [mailto:mramsey@brownerturnout.com]
Sent: Thursday, June 09, 2011 3:06 PM
To: James Grau; John Gessert; Glen Miller
Cc: 'B. Allen Brown'; 'Bob Alderson'; 'Brownerturnout'; 'Beckwith, Dirk'
Subject: American Plastic Toys Rail Service
Importance: High

To Whom It May Concern:

The Michigan Air-Line Railway Co. is providing notice that effective June 10th, 2011 Rail Freight Solutions will no longer be the service provider for rail service to American Plastic Toys. The Michigan Air-Line Railway Co. has terminated its relationship with Rail Freight Solutions as the contract operator and will commence providing rail freight service directly to American Plastic Toys. -

All prior rates and conditions of service will not be affected. B. Allen Brown will remain the contact person for rail car movements into and out of the facility for American Plastic Toys. All invoice payments and inquiries should be directed to the office for the Michigan Air-Line Railway Co. provided below.

Should you have any questions please feel free to contact our office.

Sincerely,

Marty Ramsey, CFO
Michigan Air-Line Railway Co.
7160 S. 29th Street
Suite 3
Lincoln, NE 68516
(402)420-0505 (office)
mramsey@brownerturnout.com

8/9/2011

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, the **REPLY AND OBJECTION TO SECOND PETITION FOR EXEMPTION** in STB Docket No. AB-1053 (Sub-No. 2X), *Michigan Air-Line Railway Co. – Abandonment Exemption – Line in Oakland County, Michigan* was mailed via first-class mail, postage prepaid, on August 10, 2011 to the following party:

Michigan Air-Line Railway Co.

W. Robert Alderson
ALDERSON, ALDERSON, WEILER,
CONKLIN, BURGHART & Crow, L.L.C.
2101 S.W. 21st Street
Topeka, Kansas 66604
Attorney for Michigan Air-Line Railway Co.

August 10, 2011

/S/ Troy R. Taylor

Troy R. Taylor (P40776)
Law Office of Troy R. Taylor, PLLC
107 E. Main Street
Suite 204
Northville, Michigan 48167
Attorney for American Plastic Toys, Inc.

C:\Shared\wp docs\TRT\AmericanPlasticToys\RAIL\STB Pleadings\Notice Re OFA 4-18-2011.doc